CORPORATION TAXES

REFERENCE BOOK

FOR

DOMINION-PROVINCIAL CONFERENCE

ON RECONSTRUCTION

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[1945?]

CONTENTS

FOREWORD

This reference book is intended to provide a descriptive, factual summary of Dominion and provincial corporation taxes, as a convenient source of material for further consideration of this subject or relevant proposals. The material has been compiled under the direction of the Secretariat of the Cabinet Committee on Dominion-Provincial Relations.

Part I

GENERAL REVIEW

1. DEFINITION OF CORPORATION TAX

Before considering the taxes levied by the various governments on corporations as such, it is necessary to decide just what constitutes a corporation tax. Taxes so levied fall into two main classes, viz., those based on income, and those based on capital structure, number and location of offices, or other bases. In the latter class may be included a number of taxes which are classified by the levying bodies as "license fees" but which are in effect true corporation taxes. Generally speaking, a corporation tax is a revenue-producing levy while a license fee is incidental to a regulatory measure; these two features have been combined in some cases, making particular classification difficult. This same problem was met at the time of the drafting of the Dominion-Provincial Tax Suspension Agreement, 1942, and the following definition was constructed:

> " 'Corporation tax' means a tax or fee the imposing of which singles out for taxation or for discriminatory rates or burdens of taxation, either formally or in effect, corporations or any class or classes thereof or any individual corporation . . . "

Then follow certain specific exceptions, not pertinent to this study, but including a restriction of license fees to a maximum amount of $250 per annum and also listing as an exception—

> "a license fee or other fee or tax for specific rights, benefits or franchises granted by a municipality or where they are to be exercised or enjoyed only in territory not included in any municipality by any authority (including the Province) having jurisdiction in such territory;"

This definition of a corporation tax has been adopted in the material which follows.

2. DOMINION OF CANADA

Business Profits War Tax Act

Taxes were first levied on corporations by the Dominion of Canada under The Business Profits War Tax Act, 1916. These were taxes on income only, and no taxes other than on income have been levied on corporations as such by the Dominion from that time to the present date. This first tax was intended to tax the excess profits resulting from increased wartime activities, and provided basic exemptions predicated on either past earnings or the capital employed in earning the profits.

This tax was levied on all types of business profits, with the exception of (*a*) small businesses having less than $50,000 capital, (*b*) life insurance companies, (*c*) farming and live stock raising, and (*d*) any municipally or provincially owned undertaking. A tax of 25 per cent was applied on all profits of incorporated companies in excess of 7 per cent of the capital and surplus, and on all profits of other businesses in excess of 10 per cent of the capital employed.

After the introduction of the Income War Tax Act in 1917, amounts paid by way of tax under The Business Profits War Tax Act were allowed as deductions from income tax. The Business Profits War Tax Act was in force for a total of six years, applying to the profits of the years 1915 to 1920 inclusive. Total revenues derived from this Act, including all collections on revised or additional assessments, amounted to $198,544,083; these collections were received by the Dominion in the years 1917 to 1933 inclusive.

Income War Tax Act

This Act first imposed a tax on the income of a corporation earned in the fiscal year ended in the calendar year 1917. The original Act (7-8 Geo. V c. 28) provided for an exemption of $3,000, and a tax rate of 4 per cent. The rate was raised to 6 per cent in 1918 (8-9 Geo. V c. 25), and in 1919 to 10 per cent with a reduction of the statutory exemption to $2,000 (9-10 Geo. V c. 55). A special provision was made in the latter Act regarding the taxation in the hands of the shareholders of profits earned prior to but distributed after January 1, 1917, as follows:

> "Dividends or shareholders' bonuses paid or credited to its shareholders by a corporation on or after the first day of January, one thousand nine hundred and seventeen, shall be taxable as income of the shareholder in the year in which the same are received or credited unless paid exclusively out of a surplus or accumulated profits on hand prior to the first day of January, one thousand nine hundred and seventeen. No dividend or shareholders' bonus shall be deemed to be paid or credited out of surplus or accumulated profits on hand prior to the first day of January, one thousand nine hundred and seventeen, if the earnings of the corporation since the beginning of the accounting period which ended in the year one thousand nine hundred and seventeen are sufficient to provide for the said dividend and other taxable dividends paid or credited since the said date." (Section 3, subsection 5, added by 9-10 Geo. V c. 55, sec. 2 (4).)

The distribution of exempt dividends was limited to distributions prior to January 1, 1920, by 10-11 Geo. V c. 49, sec. 3.

The tax rates of 1919 were increased in 1920 by the addition of a surtax of 5 per cent of the tax otherwise payable.

In the 1933 Act (23-24 Geo. V c. 41) the statutory exemption was eliminated, and provision was made for the filing of consolidated returns by corporations and their subsidiaries, with slightly higher tax rates being applicable thereto.

The following tabulation shows the exemptions from and rates of income tax applicable to corporations in all years from 1917 to date:

Taxation year	Exemption	Tax Rates		
		Normal	Additional	Consolidated Returns
1917	$3,000	4%	nil	
1918	3,000	6%	nil	
1919 to 1924 inclusive	2,000	10%	5% of tax	
1925	2,000	9%	nil	First recognized in 1932
1926	2,000	8·1%	nil	
1927 to 1929 inclusive	2,000	8%	nil	
1930	2,000	10%	nil	
1931	2,000	11%	5% of tax	
1932 and 1933	nil	$12\frac{1}{2}$%	nil	$13\frac{1}{2}$%
1934	nil	$13\frac{1}{2}$%	nil	15%
1935 to 1939 inclusive	nil	15%	nil	17%
1940[1] to 1944 inclusive	nil	18%	nil	20%

Until the year 1941, insurance companies were entitled to deduct from income taxes payable, the amounts paid as a tax on premiums under the Special War Revenue Act. This latter tax, amounting to 1 per cent on premiums, was raised to 2 per cent in 1941 and the deduction allowance was discontinued.

Tax collections from corporations under this section of the Income War Tax Act have varied from a low of $1,376,830 in the first year to a high of $347,969,723 in 1942-43. Total collections to March 31, 1944 amounted to $1,809,989,055.

The Excess Profits Tax Act

A measure taxing the increased profits resulting mainly from the war-inflated activity was introduced in September, 1939.[2] This Act was repealed retroactively and replaced by The Excess Profits Tax Act, 1940 (Statutes of 1940, c. 32). This latter Act imposes two taxes:

1. A general tax on all profits.
2. A tax on profits earned in excess of those earned during the standard period, 1936 to 1939 inclusive.

Provision was made for increased standard profits, in cases where depression could be proved for the period 1936-39, either on the basis of self-assessment (if acceptable by the Minister of National Revenue) or as determined by a Board of Referees constituted for that purpose.

Another section of the Act (section 18, effective on and after July 1, 1942) provides for the refunding of a certain portion of tax, without interest, at a stated period after the cessation of hostilities. The refundable portion is calculated at 20 per cent of the profits earned in excess of the point at which minimum and maximum taxes payable are equal. Under present tax rates, this "splitting point" is $116\frac{2}{3}$ per cent of standard profits.

Excess profits taxes apply also to individuals in businesses other than of a professional nature or small personal businesses earning less than $5,000 per annum.

Excess profits tax rates, minimum and maximum, in effect during various periods are shown below:

Period	Flat rate on total profits		Minimum tax on total profits		Tax on excess profits
	Corporations	Others	Corporations	Others	
Jan. 1, 1940 to Dec. 31, 1940	nil	nil	12%	12%	75%
Jan. 1, 1941 to June 30, 1942	nil	nil	22%	15%	75%
July 1, 1942	12%	nil	10%	15%	100%

[1] Commencing with profits earned on and after January 1, 1940, on a pro rata daily basis for corporations with fiscal years ended other than on December 31.

[2] Statutes of 1939 (2nd Session), c. 4.

Revenues from this tax, collected to March 31, 1944, totalled $1,082,462,131, of which $1,046,032,836 was paid by corporations, including the refundable portion.

Summary

The effective periods of the various Dominion taxes on *corporate* incomes, and the total collections thereunder to date are as follows:

Act	Effective Period	Total Collections
The Business Profits War Tax Act, 1916	1915 to 1920 inc.	$198,544,083[3]
The Income War Tax Act, 1917	1917 to date[4]	1,809,989,055
The Excess Profits Tax Act, 1940	1940 to date[4]	1,046,032,836

[3] Includes tax collections from individuals.
[4] Collections since March 31, 1944 are not included.

3. PRINCE EDWARD ISLAND

Prince Edward Island imposed its first tax on corporations in 1894[5]. This tax was levied on certain specified "companies and associations", and the only changes from that time to this have been:

1. Addition of new classes of companies.
2. Variations in the amounts of the specific taxes.
3. Addition of a tax on income.

In most cases, corporation taxes other than on income are for specified amounts and are not based on capital, gross income, production, or any other fluctuating basis.

Similar corporation taxes are authorized by the Act of Incorporation of the City of Charlottetown, but revenues thereunder have been relatively small, reaching only $10,132.50 in 1940.

Provincial corporation taxes are now levied under two Acts, viz., The Personal Property and Special Companies' Taxation Act (1938, c. 18, Part III) and The Companies' Tax Act (1940, c. 23).

Special Companies

Flat rate taxes were first levied on insurance companies, banks, telegraph, trust, loan and building companies. These classes have now been extended to include:

> Railway express, acceptance and finance companies, common carriers and steamship companies, resident and non-resident stockbrokers, branch chain stores (both retail and wholesale), branch chain theatres, electric light and power companies.

The amount of tax levied on the respective classes varies in the case of flat rate taxes, from $50 to $2,000. Other taxes are levied as a percentage of gross revenues or earnings or, in the case of banks, on average loans and deposits. In the case of taxes other than those at a specified or flat rate, certain minima and maxima are established.

[5] 57 Victoria, c. 3.

Taxes on capital

A special tax is levied on corporations "domiciled or having security registers in the Province of Prince Edward Island" (The Companies' Tax Act). This tax is imposed on all companies which, while being domiciled in Prince Edward Island yet have 95 per cent of their business or assets outside the Province. Liability to tax under this statute exempts a corporation from any other tax, including succession duties.

Rates or amounts of tax

The following tabulation lists the various rates or amounts of tax as they apply to corporations:

A. Domiciled companies:

Paid up capital From	To	*Rate or amount of tax*
—	$ 100,000	$ 50
$ 100,000	500,000	100
500,000	1,000,000	200
1,000,000	—	200 plus $100 for each additional $1,000,000; maximum $1,500

B. Other:

Type of corporation	*Rate or amount of tax*
Insurance—accident	$ 75
—guarantee	50
—accident and guarantee	100
—fire—resident	100
—non-resident	225
—exchanges	225
—special brokers	Fixed by Order in Council
—life and endowment	2% of net premiums received from residents; minimum $100
Railway express—non-resident	$500
Acceptance or finance	500
Loan	100
Building	100
Trust, or trust and loan	3½% of gross earnings within the Province; minimum $400
Banks	⅛ of 1% of average loans and deposits; minimum $1,466
Stock and bond salesmen—non-resident	$150
Stock brokers or investment dealers—	
—non-resident	5% of gross earnings within the Province; minimum $200
—resident	As for non-resident; min. $150
Branch chain store	3% of gross turnover; max. $2,000
Branch chain wholesale store	1% of gross turnover; max. $2,000
Branch chain theatre	$500
Telegraph	800
Common carriers	150
Electric light and electric power	1½% of gross revenue derived within the province.

General

Revenue from corporation taxes has been relatively smaller in Prince Edward Island than in other provinces. In 1913, total corporation taxes amounted to only $14,000[6] less than 3 per cent of total provincial revenues for that year. In 1933 total corporation taxes were $125,000[7] or 10.7 per cent of total revenues, and in 1940 the respective figures were $153,000[8] and 9.1 per cent.

All the above corporation taxes were suspended under the provisions of "An Act to Suspend Temporarily the Imposition of Income Taxes, Corporation Taxes and Taxes on Securities" (1942, c. 1), with the exception that the province was given the right to levy a license fee of $25 on each company which previously had been required to pay taxes under the Companies' Tax Act.

4. NOVA SCOTIA

The province of Nova Scotia entered into the corporation tax field at a relatively late date. The first Act levying a tax on corporations as such was "The Domestic, Dominion and Foreign Corporation Act", chapter 15, Statutes of 1912. This Act while not strictly a corporation tax is nevertheless such a tax in effect as it imposes substantial license fees varying in amount up to $7,750 per annum. The only Act levying corporation tax as such is "The Provincial Revenue (Corporations) Act" which was amended and consolidated in 1939 under the title of "The Corporations Tax Act, 1939". One additional license fee imposed on certain corporations which is in effect a corporation tax is that imposed on gasoline wholesalers under "The Gasoline Licensing Act, 1934".

The Domestic Dominion and Foreign Corporation Act[9]

This Act levies certain fees on corporations depending upon the amount of their nominal capital. Foreign corporations pay a higher rate of tax or "fee" than do domestic and Dominion corporations. Taxes so levied are as follows:

[6] Comparative Statistics of Public Finance, Royal Commission on Dominion-Provincial Relations.
[7] Comparative Statistics of Public Finance, Dominion-Provincial Conference on Reconstruction.
[8] See footnote [7].
[9] R.S.N.S. 1923, c. 173.

Capital Not Exceeding	Domestic or Dominion Corporation	Foreign Corporation
$ 5,000	$10	....
10,000	20	$50
25,000	30	....
50,000	50	100
75,000	75	....
100,000	100	150
250,000	125	....
500,000	150	200
1,000,000	200	....
In Excess of $500,000...	....	$200 and 10c. for every $1,000.
In Excess of $1,000,000.	$200 plus 10c. for each $1,000.	

The Gasoline Licensing Act, 1934[10]

This Act imposes fees on wholesalers of gasoline, based on the number of gallons of gasoline which a wholesaler is authorized to sell under his license. Fees range from $250 for an authorized quantity of 500,000 gallons to $7,500 for an authorized quantity in excess of 10,000,000 gallons. Additional license fees within those brackets are payable as total sales by any wholesaler exceed the quantity then authorized.

In the case of this and the above-mentioned Act the fees payable were restricted under the terms of the Dominion-provincial tax suspension agreement to amounts not in excess of $250 per licensee.

The Corporations Tax Act, 1939[11]

This Act comprises the tax which is generally known as a corporation tax in other provinces. Various types and rates of tax are levied on specified companies, the basis being either capital, number of branches or offices, gross income, turnover, or other similar basis.

The particular fees levied are as follows:

[10] Statutes of 1934, c. 2.
[11] Statutes of 1939, c. 2.

Type of Company	Tax on Capital	Other Taxes
Banks—		
Capital under $500,000...........	1/10 of 1% of paid-up capital employed in Nova Scotia.	$1,000 plus $150 for each office; 1/20 of 1% of average value up to $15,000,000 plus 1/60 of 1% for excess.
Capital over $500,000............ No office in Halifax.	1/10 of 1% of paid-up capital employed in Nova Scotia.	$2,500 plus $250 for each office up to 10. Average volume tax as above.
Office in Halifax...........	1/10 of 1% of paid-up capital employed in Nova Scotia.	$7,500 plus $150 for each office in Halifax, $600 for each other office up to 10, $300 for each office from 11 to 20, and $150 for each office over 20. Average volume tax as above.

Type of Company	Tax on Capital	Other Taxes
Insurance Companies		2½% of premiums.
Loan Companies	1/20 of 1% of paid-up capital employed in N.S.	1/8 of 1% of money invested in N.S. Minimum $100.
Trust Companies	1/8 of 1% of first $600,000 ¼ of 1% for each additional $100,000	2% of gross income up to $25,000 2½% of gross income from $25,000 ot $75,000 2¾% of gross income in excess of $75,000
Finance Companies	1/8 of 1% of paid-up capital employed in N.S., minimum $200.	$500 for principal offices $250 for each additional office.
Telegraph and Cable Companies		$500 plus 1% of money invested in telegraph or cable up to a tax of $500.
Telephone Companies	1/5 of 1%, plus 1/10 of 1% for capital in excess of $500,000.	(1) Where capital exceeds $30,000, 3% of gross revenues. (2) 25 cents per telephone instrument. (3) 5 cents per long distance message in excess of 25 cents.
Gas and Electric Companies	1/5 of 1%, plus 1/10 of 1% for capital in excess of $500,000.	(1) Where capital exceeds $30,000, 3% of gross revenue from gas and tramways, and 2% of gross revenues from gas plant. (2) 25 cents per gas or electric meter.
Electric Tramways	1/10 of 1% on capital	Where capital exceeds $30,000, 1% of gross revenues.
Express Companies		$800 per mile of railway operation.
Railway Companies		(1) $50 per mile of track in excess of 60 miles; where main line is two or more tracks, $30 per mile of additional track; $30 per mile of track line up to 60 miles. (2) Additional tax of $20 per mile plus $10 per mile of double track. NOTE: Any track less than 60 miles is deemed to be a Branch Line.
Public Utilities		50% of earnings in excess of 8% of value of property and assets, plus tax on "General" Companies shown below.
Chain Stores		1/10 of 1% of gross sales of N.S., plus tax on "General" Companies shown below.
General Companies	1/10 of 1%, plus 1/15 of 1% on capital in excess of $5,000,000; minimum tax, $10.	1% of net revenue, after deducting income tax paid to the Dominion or another province; net revenue ascertained on basis of gross sales or revenue, except:—Real estate companies, on basis of assets; manufacturing in N.S. if sales in N.S. are less than 50% of total sales, also on basis of assets.

5. NEW BRUNSWICK

In common with most of the other provinces, New Brunswick levies taxes on corporations, using various bases.[11a] Capital stock, places of business, gross and net revenues, all find a place in the taxing statutes. At the time of the Dominion-Provincial Tax Suspension Agreement, corporation taxes were levied under the Corporation Tax Act (2 Geo. VI c. 18), An Act Respecting the Taxation of Railway Companies (R.S.N.B. 1927, c. 17) and The Gasoline Sales Act (25 Geo. V c. 17).

Municipalities in New Brunswick also levy a variety of corporation taxes on various bases.[11a] The legislative authority for these taxes is as follows:

Respecting Taxation of the New Brunswick Telephone Company, Limited, for Municipal Purposes	R.S.N.B. 1927, c. 191
The Rates and Taxes Act	R.S.N.B. 1927, c. 190
The Schools Act	R.S.N.B. 1927, c. 52
and various Acts of Incorporation of individual cities, towns and municipalities.	

[11a] Suspended under the terms of the Dominion-Provincial Tax Suspension Agreement.

Profits Tax.

Taxes are levied on corporation profits under section 25 of The Corporations Tax Act. No deductions are allowed for any income or profits taxes paid to either New Brunswick or any other authority. Provision is made for the allocation of profits on the basis of

(*a*) Actual profits earned in the province as shown by certified statements, or

(*b*) Gross sales, or revenue pro-rated as between provinces where income taxes are payable, any sales in a province not taxing the income to be included in the total for New Brunswick.

The rate of tax applied on profits so determined is 2½ per cent (prior to 1940, 1 per cent).

The following types of companies are exempted from the payment of profits tax: Banks, insurance, telegraph and cable, telephone, street railways, gas and electric, express, sleeping and parlor car, and non-resident construction companies.

Other Taxes.

As in the case of other provinces, the bases and rates of taxation under this section vary with the type and size of the business involved.

Fees are assessed against gasoline wholesalers under The Gasoline Sales Act, at the following rates, depending upon the volume of sales.

Up to 500,000 gallons.................. $100
Up to 1,000,000 gallons.................. 200
with increases thereafter of $200 for each additional 1,000 gallons.

Provision is made in The Corporation Tax Act for reduction of taxes at the discretion of the Governor in Council where only part of the business is carried on in the province (Section 28). The following tabulation summarizes the rates of tax levied on various types of companies.

Type of Company	Tax on Capital	Other Taxes
Banks*		1/10 of 1% of average monthly volume, or where capital exceeds $500,000 a tax of $5,000 for the main office and $500 for each other.
Insurance Companies*—		
Life		2½% of premiums, plus $150.
Other		3% of premiums; minimum taxes—fire, $150; other, $50; insurance exchange, $25.
Unlicensed		5% of premiums.
Trust Companies*	⅛ of 1%; Minimum taxes:— Capital from $5,000 to $25,000..$ 25 Capital in excess of $25,000.... 50 Non-resident................ 100	$500
Loan Companies*	As for Trust Companies	$500
Finance Companies*	As for Trust Companies	$500
Telegraph and Cable Companies*		$500, plus 1% of investment in lines.
Telephone Companies*	¼ of 1% plus ⅛ of 1% on capital in excess of $500,000	Where capital exceeds $30,000, 3% of gross income. NOTE.—N.B. Telephone Co. does not pay this tax (R.S.N.B. 1927, c. 16, sec. 9 (1)) but pays 10% of gross earnings from long distance calls.
Street Railway Companies*		$50 to $100 per mile of line.
Gas and Electric Companies*	¼ of 1% plus ⅛ of 1% on capital in excess of $500,000	Where capital exceeds $30,000, 2% of gross revenue of gas plant, and 3% of gross revenue from other sources except tramways.
Express Companies*		$400 per 100 miles of railway.
Sleeping or Parlor Car Companies*		$300
Construction Companies Non-resident*		Fixed by Order in Council
Outside companies holding assets in N.B. but having no office in Province.*		$50
Other companies*	⅛ of 1%; minimum taxes:— Capital from $5,000 to $25,000..$ 25 Capital in excess of $25,000.... 50 Non-resident................ 100	
Railway Companies		$50 to $100 per mile.

* Plus 10% surtax.

6. QUEBEC

The first law for the taxing of corporations in the Province of Quebec was passed in 1882, two years after similar legislation had been passed in the State of New York. "The Province of Quebec was the first to single out corporations as objects of special taxation".[12] This first Act provided for the direct taxation of banks, insurance companies, loan companies etc., and all ordinary incorporated companies in the same manner as provided under the present regulations, namely, a tax on capital and tax on places of business.

The main point of interest in the history of direct corporation taxes in Quebec is the development of proportionate rates. Under the original Act of 1882, the taxes were fixed amounts differentiating between various types of business and in some cases between capital investment. The tendency has been to introduce rates on a percentage basis for the levy on capital, but the levy based on places of business has remained a fixed sum to the present day.

In 1913, the revenue from corporation taxes amounted to $943,000 [13], which was 11.1 per cent of total revenue [13] for that year. In 1937, corporation taxes provided 16.8 per cent of total revenues, amounting to $9,665,000 [13], more than 10 times the 1913 revenue, while the 12 month period ended June 30, 1941 provided revenue from corporation taxes amounting to $15,720,000 [14].

Provincial corporation taxes are now levied under the Corporation Tax Act and the Railway Subsidy Repayment Act, while a special tax on the profits of mining companies, where such profits are in excess of $10,000, is imposed by the Quebec Mining Act.

The City of Montreal provides for a premium income tax on fire insurance companies and the Cities of Montreal and Quebec levy a number of sundry taxes or license fees on banks and other companies.

Corporation taxes levied under two of the abovementioned Acts[14a] and the City of Montreal premium income tax on fire insurance companies were suspended by the Dominion-Provincial Tax Agreement (Bill No. 33, 1942, Quebec), whereby the taxes provided for were not levied after August 1941 a sum being paid by the Dominion to the Province as compensation for loss of tax revenue in the years following.

The Corporation Tax Act, the Railway Subsidy Repayment Act and the Quebec Mining Act are considered in summarized form in the following paragraphs.

Profits Tax:

The Corporation Tax Act[15]

All incorporated companies other than personal corporations carrying on business in the province of Quebec are liable to profits tax. Partnerships and associations, etc. whose main office is outside of Canada who are carrying on business in the province of Quebec are also taxable; but certain special types of corporations such as banks and insurance companies and companies organized on a mutual basis are not generally subject to the tax.

The tax is calculated at 5 per cent of the total net profit of a company for its fiscal year.

Net profit consists in the main of income subject to tax as defined by the Income War Tax Act of the Dominion of Canada, one major difference being that only one-half of any dividends from Canadian corporations received by the taxable company is exempt from the profits tax instead of the whole of the amount of such dividends as provided in the Dominion Income Tax Act.

The amount of tax paid upon income to the Dominion of Canada is not allowed either as a deduction from profits or from tax for profits tax purposes.

There are certain provisions of a reciprocal nature in the profits tax regulations briefly as follows: In the case of real estate companies, companies owning and operating grain elevators and companies whose operations in the opinion of the Treasurer of the Province tend to deplete the natural resources of the province only a part of the net profit is taxable. The taxable amount is computed by calculating the percentage of the total fixed assets and goods and supplies of the company situated inside the province of Quebec; this percentage is then the proportion of net profit of the company that is subject to tax. Any other company whose head office is in Quebec may deduct from the profits tax which would otherwise be payable either

(1) the amount of tax on net profit paid or payable to any other province or state with respect to the same financial year, or

(2) the amount of tax on profits calculated at the rate of 5 per cent on that part of the total net profit of the company proportionate to the relationship in value as between the gross sales made to or the gross revenue received from customers residing outside the Province of Quebec and the total gross sales made or gross revenue received, whichever is the lesser. Any other company the head office of which is outside of the Province of Quebec may deduct from the profits tax which would otherwise be payable an amount as per (2) above.

Where a company owns one or more subsidiary companies each company must file its own return of profits. Consolidated returns are not acceptable.

Quebec Mining Act[16]

Under this Act, a tax upon the profits of mining companies is levied, (where such profits are in excess of $10,000 per annum) at the following rates:—

Profits in excess of	$ 10,000	up to	$1,000,000	4%
On the excess above	$1,000,000	" "	$2,000,000	5%
" " " "	$2,000,000	" "	$3,000,000	6%
" " " "	$3,000,000			7%

In the event of ore being taken outside the Province for treatment, or being treated in a plant in a situation not approved by the government, the tax may be three times that which would otherwise be payable.

This tax, however, was not considered a Corporation tax for the purposes of the Dominion-Provincial Tax Agreement, but rather a levy in the nature of a royalty.

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[12] Vineberg, S., *Provincial and Local Taxation in Canada*, p. 109.

[13] Comparative Statistics of Public Finance Royal Commission on Dominion-Provincial Relations, Appendix 1, Statement 28.

[14] Comparative Statistics of Public Finance, Dominion-Provincial Conference on Reconstruction.

[14a] Taxes imposed by the Quebec Mining Act were not suspended.

[15] R.S.Q. 1941, Chap. 77, sec. 6 *et seq.*

[16] Revised Statutes of Quebec, 1941, Chap. 196.

The Railway Subsidy Repayment Act[17]

Railways formerly subsidized by the Province, are required to pay a tax of either,

(*a*) one-half of one percent of the amount of the subsidy paid by the Province, or
(*b*) five percent of the net earnings of the railway.

This tax is on an optional basis, the railway having the choice of paying either (*a*) or (*b*); in order to pay tax under (*b*), however, returns of operations must be filed with the Province within three months from July 1, in each year.

Tax on Capital and Place of Business:

The Corporation Tax Act[18]

The basis and rate of taxation varies with the type and size of the business involved.

Practically all types of companies pay a certain percentage on their capital (which includes capital stock, surplus, bonds, etc. and all indebtedness of a capital nature) plus a levy for each place of business operated in the province.

In the case of insurance companies, briefly, the tax is based on premiums received or business transacted in the province. When any premiums are already taxed by any other province, state or country, the Provincial Treasurer may, if he deems fit, exempt an insurance company from the tax on such premiums.

Provision is made for a retaliatory tax on insurance companies incorporated outside the Province of Quebec and doing business in Quebec where insurance companies incorporated inside the Province of Quebec doing business in another province, state or country are taxed at a higher rate than insurance companies incorporated in such other province, state or country.

In certain special cases a company may pay a tax less than that imposed by the Act upon recommendation by the Provincial Treasurer, as follows: A company which

(*a*) does only part of its business in the province,
(*b*) does no other business in the province than holding the stocks, bonds or other securities of other companies,
(*c*) being a holding company and having its statutory office outside the province has an office or holds directors' meetings in the province or keeps a bank account or part of its securities in the province, or
(*d*) being a mining company is not in the opinion of the Treasurer developing its properties and is not producing for the market.

An annual tax of $20 is levied on any company whose head office is in the province when such company is entirely without assets and which in the opinion of the Treasurer has not commenced or has ceased to do business, provided that such company has not surrendered its charter. The directors of the company are jointly and severally liable for this tax.

The various taxes imposed and the basis of such taxes on different companies are summarized in tabular form as follows:—

[17] Revised Statutes of Quebec, 1941, Chap. 81.
[18] Revised Statutes of Quebec, 1941, Chap. 77, sec. 3, *et seq.*

Type of Corporation	Capital Tax	Other Taxes
Ordinary Companies	1/10 of 1% on capital	Where the paid-up capital is less than $25,000:— $25 for each place of business in Montreal and Quebec and $20 for each other place of business in the Province. In all other cases $50 for each place of business in Montreal and Quebec and $25 for each other place of business in the Province.
Banks	1/5 of 1% on the paid-up capital stock and 1/10 of 1% on the Reserve Fund and undivided profits.	$3,000 for the principal office of the bank in Montreal or Quebec and in addition $200 for each other place of business in the Province. (Agencies on a commission basis excepted.)
Insurance Companies		Life Insurance Companies:— 1¾% on premiums. Other Insurance Companies:— 2% on premiums. (See narrative). Minimum annual tax:— Mutual companies .... $120 Marine companies .... $300 Other companies $500

Type of Corporation	Capital Tax	Other Taxes
Loan Companies....................	1/20 of 1% on capital stock plus 1/20 of 1% on all moneys invested in the Province Minimum tax $100.	Where the capital is $100,000 or less:— $50 for each place of business in Montreal or Quebec and $25 for each other place of business in the Province otherwise $100 and $50, respectively.
Navigation Companies...............	1/10 of 1% on capital................	See "Ordinary Companies".
Telegraph Companies................	An annual tax of $5,000, except where system is leased; in this case 1/10 of 1% on Capital—minimum tax $2,000.	
Telephone Companies................	1/5 of 1% on capital, except where capital is less than $100,000; in this case 1/10 of 1%.	Where paid-up capital is less than $100,000; $50 for each place of business in Montreal and Quebec and $25 for each other place of business in the Province. Where capital is less than $25,000 tax is $25 and $20 respectively. Where capital is $100,000 or more no place of business tax is payable.
Express Companies..................	....	$800 for each 100 miles or fraction thereof of railroad used—maximum tax $10,000.
Transportation Services..............	....	A tax of 1% on the gross revenue and where one or more hotels is operated in the Province 1/10 of 1% on the capital operating such hotels, and $50 for each hotel operated.
Railway Companies.................	....	$60 per mile of single track line and where the line has two or more tracks $40 per mile for each additional track. Where part of the system of another company paying the above tax is used a tax equivalent to ¼ of the above is charged, both companies being jointly and severally liable for payment, and $50 for each hotel operated.
Sleeping and other Car Companies....	⅓ of 1% on capital invested in rolling stock in use in Province.	$50 for each place of business in Montreal and Quebec and $25 for each other place of business in the Province.
Trust Companies....................	....	2½% on gross revenue derived from business in the Province See "Car Companies" for place of business tax.
Gas and Electric Companies..........	1/5 of 1% on capital.................	See "Ordinary Companies" for place of business tax.
Gasoline Companies.................	⅜ of 1% on capital..................	See "Ordinary Companies" for place of business tax.
Real Estate Companies..............	1/10 of 1% on capital, except where business is confined to the sale of building lots or holding vacant lots in this case 1/20 of 1% on capital.	See "Ordinary Companies" for place of business tax.
Liquor Companies...................	Canadian companies doing business in the Province ⅜ of 1% on capital. All other companies 1/5 of 1% of sales in the province with a minimum tax on all companies of $25.	See "Ordinary Companies" for place of business tax.

Type of Corporation	Capital Tax	Other Tax
Brewery Companies	1/5 of 1% on capital	See "Ordinary Companies" for place of business tax.
Tobacco Companies Note: These taxes do not apply to a company planting or growing tobacco, which does not manufacture cigarettes.	1/5 of 1% on capital	See "Ordinary Companies" for place of business tax.
Partnerships, associations, firms or persons having their chief office or principal place of business outside the Dominion of Canada and not previously taxed.		1/10 of 1% on gross revenues derived in the Province—Maximum tax $25. $50 for each place of business in Montreal and Quebec and $25 for each other place of business in the province.

7. ONTARIO

"Before the year 1899, the taxing of corporations in the Province of Ontario was left entirely to the various local authorities, who were trying to reach corporate wealth under the general property tax by assessing the shares against the holders. Some part, at least, of the personal property invested in corporate securities was reached locally, and, for this reason, we find no Provincial tax until 1899, when the agitation against the personal property tax was at its height. Even then the 'Supplementary Revenue Act' did not attempt to reach mercantile and manufacturing corporations, but merely added to the tax already levied on corporate shares by the municipalities a Provincial tax on corporations of a semi-public character. The act expressly states that the companies which are required to pay taxes to the Province 'shall continue to be assessable and taxable for municipal purposes as heretofore.'" [19]

The pattern of corporation taxes in Ontario is uniform with other provinces. Taxes are imposed on profits, on paid-up capital, on volume of business, and on other bases. Corporations generally are now assessed under The Corporations Tax Act, 1939 (R.S.O. 1937, c. 25) [19a]. Taxes are also imposed under The Mining Tax Act.

Profits Tax

The Corporations Tax Act

All incorporated companies other than the following are subject to this tax:

- Charitable companies
- Companies without share capital
- Companies operating social clubs
- Business and assets situated abroad
- Co-operatives, or companies financing co-operatives
- Special companies—bank, insurance, railway, express, telegraph, or car company
- Personal companies
- Mutual insurance companies

The tax is calculated at 5% of the total net profit. Net profit is determined in substantially the same manner as under the Income War Tax Act (Canada). Special provision is made for the ascertaining of the proportion of income taxable in Ontario in the case of transportation companies and companies dealing in real estate. The proportion of income of other companies taxable in Ontario is based on (*a*) actual corporate records of income or (*b*) gross sales or revenues. Income taxes paid to another province or to the Dominion are not allowed as a deduction from income, but the amount of tax paid to another province is allowed as a deduction from the tax payable to Ontario provided it does not exceed the rate of tax so payable.

The Mining Tax Act

A tax is levied on the income of mining companies which exceeds $10,000, such tax being computed as follows:

Profits over	$ 10,000	but	not	over	$1,000,000	—3%
"	" 1,000,000	"	"	"	5,000,000	—5%
"	" 5,000,000					—6%

This tax, while it is imposed on profits, was deemed to be not a corporation tax for the purposes of the Dominion-Provincial Tax Suspension Agreement, but rather a levy in the form of a royalty for the use of natural resources.

Taxes on capital and place of business

Under The Corporations Tax Act, 1939, certain companies pay specified fixed taxes, while those not specifically mentioned are covered in a general rate. As in the case of Quebec, provision is made for a retaliatory tax on insurance companies in cases where Ontario companies are subjected to discriminatory tax rates by other taxing authorities. The following tabulation summarizes the taxes imposed under this Act:

[19] Vineberg, S., ***Provincial and Local Taxation in Canada,*** p. 117.

[19a] Suspended under the terms of the Dominion-Provincial Tax Suspension Agreement; taxes under The Mining Tax Act were not suspended.

Type of Company	Basis of Taxation	Rate or Amount of Tax
Banks*	(a) Paid-up capital	1/5 of 1%.
	(b) Reserve fund and undivided profits	1/10 of 1%.
	(c) Principal office	$3,000.
	(d) Other offices	$ 200.
Insurance*		
Life	Net premiums	$1\frac{3}{4}$%.
Fire	Net premiums	$1\frac{2}{3}$%.
Casualty	Net premiums	2%.
Railway*	(a) Trackage	$60 per mile of single line: $40 per mile for additional lines. EXCEPTIONS: 1. When railway outside of organized municipality the rates are $40 and $20. 2. When railway is 150 miles or less in total length, the rates are $15 and $5. 3. When railway is 30 miles or less in total length, the rates are $10 and $5.
	(b) Trackage	When railway exceeds 150 miles between termini, additional rates of $15 and $20 apply.
Telegraph*	Investment in lines	1%.
Express*	Railway mileage used	$800 per mile; maximum $10,000.
Car*—Sleeping, Parlor or Dining	Investment in cars	1%.
Railway-operated Hotels	(a) Income capitalized at 8%	1/20 of 1%.
	(b) Hotels	$50 each.
Mining—During development	Flat rate	$20.
Charitable, educational etc., agriculture, colonization, operation of social clubs, in all cases non-profit.	Paid-up capital	Capital.....$20,000 ..... $ 5 tax
		Capital.....$40,000 ..... $10 tax
		Capital.....$60,000 ..... $15 tax
		Capital.....$80,000 ..... $25 tax
		Capital over $80,000 ..... $50 tax
Other companies—		
Capital less than $100,000	Paid-up capital	1/20 of 1%—Minimum $20.
Capital over $100,000	(a) Paid-up capital	1/20 of 1%.
	(b) Place of business	$50 for each office.

*Surtax of 25 per cent on all these taxes.

8. MANITOBA

The Corporations Taxation Act [20] of 1900 provided for the taxation of banks, insurance companies, loan and trust companies, street railways, telegraph, telephone and electric light companies and express companies, while the Railway Taxation Act [21] provided for the taxation of steam railways.

Banks were charged $800 for the head office, and $200 for each branch when numbering less than four; when there were more than four branches the tax was $100. Only one tax was paid, however, in any municipality.

Insurance companies were taxed on gross premiums at a rate of one per cent. If premium receipts were less than $20,000 and investments in the province totalled $100,000 or more, the rate was three-quarters of one per cent on premiums plus one-half of one per cent on income from investments in the province.

Loan and trust companies were taxed on their capital, not including taxable land. Street railways with up to twenty miles of line paid $500; $10 was payable for each mile in excess of twenty. Telegraph companies paid a tax of $1 for each mile of line operated; telephone companies 25c or 50c per instrument depending upon population. In 1906 this basis of taxation was amended to a tax on gross receipts.

Privately-owned gas companies in cities were levied $500; electric light companies a similar amount in cities where population was 10,000 or more, $100 where less than 10,000 and $25 in other municipalities.

[20] 63-64 Victoria, c. 55.
[21] 63-64 Victoria, c. 57.

Companies receiving money on deposit paid an annual tax of $200 where deposits did not exceed $100,000 and one-tenth of one per cent on each additional $100,000 or part up to $1,000,000 (1906).

Railways were taxed on their gross earnings, at a rate fixed by the Lieutenant Governor in Council not to exceed three per cent.

In 1921, every business not liable to taxation under The Corporations Taxation Act was required to pay a levy of two per cent on net income derived from operations in the province. This tax was imposed for one year only, however, and it was not until 1930 that corporations became subject to the provisions of the Income Taxation Act which had been applied to personal incomes since 1923. The initial rate was two per cent on income in excess of $1,000; in 1935 the rate was raised to five per cent on all net income.

Prior to the Dominion-Provincial Tax Suspension Agreement corporation taxes in Manitoba were imposed under The Corporations Taxation Act, The Income Taxation Act, The Railway Taxation Act and The Grain Dealers' License Act.

The imposition of these taxes has now been suspended by the afore-mentioned Agreement.

Total revenue from corporation taxation in Manitoba in 1913 amounted to $349,000,[22] 8·5 per cent of total revenue for that year. In the fiscal year ended April 30, 1941, corporation tax revenue was $2,842,000,[23] 16·4 per cent of total revenue. Income taxes on corporations (included in the corporation tax revenue) for that year amounted to $1,494,000.[23]

The provisions of these various Acts are summarized briefly as follows:

The Income Taxation Act[24]

Section 9 of this Act provides that ".... corporations and joint stock companies, no matter how created or organized, shall pay a tax upon income ....."

Certain corporations are exempt from income taxation, briefly as follows:

(*a*) corporations taxable under The Corporations Taxation Act;
(*b*) railways taxable under the Railways Taxation Act;
(*c*) provincially or municipally owned corporations;
(*d*) religious and charitable institutions and fraternal associations;
(*e*) non-profit sharing corporations, clubs, etc.;
(*f*) co-operative organizations, generally;
(*g*) corporations whose business and assets are situate outside of Manitoba.

The income from bonds issued by the province as tax-free and dividends received from a corporation taxable under the Income Taxation Act or The Corporations Taxation Act are not subject to income tax in the hands of any corporation receiving them.

"Income" is substantially the same as defined under the provisions of the Income War Tax Act (Canada). A proportion of the tax paid by a corporation under this latter Act, however, may be deducted from income, the proportion being based on the income of the corporation earned in Manitoba.

The rates of taxation are on a graduated basis, beginning at 1 per cent on the first $1,000 of taxable income or any part thereof and rising 1 per cent for each increase of $1,000 of income, so that a tax of 19 per cent is payable on income between $18,000 and $19,000. Where income exceeds $19,000, however, a tax of 10 per cent is levied *on the whole income*.

Where a return is filed by a corporation consolidating its earnings with those of a subsidiary or subsidiaries, the rates of taxation are increased in each bracket by 2 per cent, i.e., the initial rate of tax is 3 per cent.

Mining companies are taxed at different rates, as follows:

5%	on all income not in excess of	$ 100,000
6%	" " " " " " "	400,000
7%	" " " " " " "	700,000
8%	" " " " " " "	1,000,000
9%	" " " " " " "	1,300,000
10%	" " " where income exceeds	1,300,000

The Corporations Taxation Act [25]

This Act provides for the annual taxation of different types of corporations at varying rates and on varying bases. The different taxes imposed have been summarized in the following table:

[22] Comparative Statistics of Public Finance, Royal Commission on Dominion-Provincial Relations.
[23] Comparative Statistics of Public Finance, Dominion-Provincial Conference on Reconstruction.
[24] R.S.M., c. 209, as amended.

[25] R.S.M., 1940, c. 208.

Type	Basis of Tax	Rate of Tax
Banks..............................	Offices..............................	Head Office—$5,000; Principal Office—$3,000; Branch Office in same location as Head Office $750; other Branches $400. Plus 40% of all these taxes. Private Banks $750.
Insurance Companies................	Gross Premiums.....................	Normal Rate—2%, now increased by 50%. Unlicensed insurers, except those paying "Brokers" Tax, 10%.
Land Companies.....................	Money Invested in Province or paid-up Capital.	40c per $1,000 of investment. Minimum Tax—Where paid-up capital less than $50,000—$25; where not in excess or $100,000—$50; if over $100,000—$100.
Loan Companies....................	Gross income, or paid-up capital.......	½ of 1%. Minimum Tax—See "Land Companies".

Type	Basis of Tax	Rate of Tax
Trust Companies....................	Gross income, or paid-up capital......	2%. Minimum Tax—Where paid-up capital not in excess of $100,000, $100; otherwise, $175.
Street Railways.....................	Mileage (Single Track)...............	If mileage does not exceed 15 miles, $30 per mile; 30 miles, $40 per mile; 50 miles, $50 per mile. If mileage exceeds 50 miles, $60 per mile.
Telegraph Companies................	Gross Earnings in Province...........	2%. If Railway-owned, $2,000.
Telephone Companies................	Gross Earnings in Province...........	2%.
Gas and Electric Lighting Companies..	Population—Flat Rates..............	Population under 3,000..........................$ 25 Population between 3,000 and 10,000........... 50 Population between 10,000 and 25,000........... 100 Population between 25,000 and 50,000........... 200 Population between 50,000 and 75,000........... 300 Population between 75,000 and 125,000.......... 500 And $100 additional for each extra 50,000 population or fraction thereof.
Express Companies..................	Offices—Flat Rate....................	In Winnipeg, $750 for the Chief Office and $100 each for Branches. In Cities other than Winnipeg, $160 for each City; other municipalities, $45 for each such municipality where operating.
Underwriters Companies.............	Gross premiums (on which tax has not been paid by principal companies).	2%.
Special Brokers.....................	Gross Premiums.....................	Normal rate 2%, increased now by 50%.

The Grain Dealers' License Act[26]

Grain dealers owning, leasing or operating elevators or warehouses are required to pay a tax of $50 for each such elevator or warehouse. In the case of a track buyer a fee of $50 is charged in respect to the principal railway station or siding at which he is carrying on business plus a further $10 for each other station or siding. Street buyers are charged a fee of $50 in respect to the chief locality in which business is carried on and a further $25 for each other locality.

The Railway Taxation Act[27]

Every railway company owning or operating lines in the province is taxed on the basis of gross earnings in the province at a rate not exceeding 3 per cent. The rate applicable to The Canadian Northern Railway Company, however, is limited to 2 per cent for the period of the guarantee of the Company's bonds by the province.

The Provincial Treasurer is authorized under this Act to make agreements with railway companies to fix the annual taxes payable by the companies for a period of not more than 5 years.

9. SASKATCHEWAN

An Act[28] providing for the taxation of certain corporations was passed in 1907. Under this Act banks were taxed $400 for the head office, $100 for each branch up to four in number, $50 for the next four branches, and $25 for each branch over eight in the province. Insurance companies were taxed on the amount of gross premiums received in the province at two-thirds of one per cent (life insurance companies one per cent).

Loan and trust companies paid 40 cents per $1,000 of investments; telegraph and telephone companies were levied one per cent on gross receipts. Express companies were taxed on the same basis as banks, the rate, however, in this case being $100 for all branches up to 25 in number, plus an additional $3 for each branch in excess of 25.

The Railway Taxation Act of 1908[29] provided for the taxation of all railway companies operating lines in the province. The basis of taxation was gross earnings, and the rate was to be determined by the Lieutenant-Governor in Council. The Canadian Pacific Railway, without admitting its liability, agreed to pay a sum corresponding to the tax which otherwise would have been imposed.

Corporation income tax was not levied in Saskatchewan until 1932, when the income of both corporations and individuals was made taxable for the first time. The initial corporation tax rate was 4 per cent on net income in excess of $1,000.

Prior to the Dominion-Provincial Tax Suspension Agreement[30] corporation taxes were levied under The

[26] R.S.M. 1940, c. 90.
[27] R.S.M. 1940, c. 210.
[28] 1907, Chap. 22.

[29] 1908, Chap. 32.
[30] The Taxation Agreement Act, 1942, Chap. 2.

Corporation Tax Act, The Income Tax Act, The Railway Taxation Act, and Order in Council No. 1695/38. Taxes were also imposed on gasoline storage tanks, under The Fuel Petroleum Products Act. The imposition of these taxes has now been suspended by the afore-mentioned Agreement.

In 1913, total corporation tax revenue was $258,000[31] being 4·26 per cent of total revenue for that year. In the fiscal year ended April 30, 1941, the revenue from corporation tax amounted to $1,617,000[32], of which $701,000[32] was income tax. This latter amount was 3·3 per cent of total revenue, current account for that period, while the total corporation tax revenue was 7·60 per cent thereof.

There follows a brief summary of the Acts mentioned.

Profits Tax:

The Income Tax Act[33]

A tax of 5 per cent on the annual net income of corporations is levied under this Act. Certain corporations paying tax under the provisions of The Corporations Taxation Act, however, are exempt from income tax; these are: Banks, finance corporations, insurance companies, loan companies, telegraph companies, express companies, and trust companies. Mutual and co-operative organizations generally, and charitable institutions or societies, and provincially or municipally owned corporations are also exempt from income tax as are also railways taxed under The Railway Taxation Act.

The definition of "income" is substantially the same as defined by the Income War Tax Act (Canada). Dividends from a corporation paying Saskatchewan income tax are exempt from tax in the hands of the recipient to the extent that the corporation paying the dividend has earned income within Saskatchewan.

An amount may be deducted from the tax payable consisting of ". . . . the amount paid to any other province for income tax in respect of the income of the taxpayer derived from sources therein". Such deduction is allowed only if the other province permits a similar deduction with respect to persons with income derived in Saskatchewan, and the deduction is limited to the amount of tax which would otherwise be payable under The Income Tax Act, Saskatchewan.

The amount of tax paid or due in any year under the Income War Tax Act (Canada) on the income of a corporation earned in Saskatchewan may be deducted from such income for the year when paid (or due) for tax purposes.

[31] Comparative Financial Statistics, Royal Commission on Dominion-Provincial Relations, Appendix 1, Statement 28.
[32] Comparative Statistics of Public Finance, Dominion-Provincial Conference on Reconstruction.
[33] R.S.S. 1940, c. 54.

Other Taxes:

The Railway Taxation Act[34]

Under the provisions of this Act ". . . . every railway company owning or operating a line or lines . . . . within Saskatchewan . . . ." is obliged to pay a tax based on gross earnings, the rate to be determined by the Lieutenant Governor in Council. The maximum rate payable is fixed at:

(*a*) in the case of a branch of a railway in operation for seven years or more....... 3%
(*b*) in the case of a branch of a railway in operation for five years or more and less than seven years...................... 1½%

Railways which have been aided by statutory authority by guarantee of bonds or other securities are exempt from taxation under this Act for fifteen years from the date of commencement of operations, and after the expiry of the fifteen years, the tax payable for the duration of the guarantee is limited to $30 per mile of the railway.

Railways paying tax on gross earnings under this Act are not subject to the provisions of The Income Tax Act (Sask.).

The Corporations Taxation Act[35]

All corporations are taxed under this Act, the basis and rate of taxation varying with the type and size of the business. The following table summarizes the different annual taxes imposed on the several classifications provided for:

Type	Basis of Taxation	Rate of Tax
Banks	Number of offices	10 or more branches in the province, $3,000 for the head office in the province; if less than 10 branches, $1,500. $400 for the main branch in a city, other than the head office, and $250 for each other city or town office and $200 for other offices.
Companies, not Banks, receiving money on deposit.	Flat rate	$300.
Private Bankers	Number of offices	Head Office in city or town, $200; in village, $100 plus $25 for each other office in the province.
Finance Companies	Gross Revenues in Province	3%. $100 minimum tax where capital is $100,000 or less, otherwise $175.

[34] R.S.S. 1940, c. 52, as amended.
[35] R.S.S. 1940, c. 51, as amended.

Type	Basis of Taxation	Rate of Tax
Insurance Companies	Gross premiums and investments in Province.	When gross premiums are less than $50,000, 1%. When more than $50,000 but less than $100,000, $1\frac{1}{4}$%. When more than $100,000 but less than $150,000, $1\frac{1}{2}$%. When more than $150,000 but less than $200,000, $1\frac{3}{4}$%. When over $200,000, 2%. Minimum tax $100 where authorized capital is not more than $100,000, otherwise $175. Plus 50c. per $1,000 invested in province if more than $25,000. The whole increased by 50% from May 1, 1933.
Loan Companies	Funds invested in Province	50c. per $1,000. Minimum tax $25 when authorized capital less than $50,000; $50 when more than $50,000 but less than $100,000; otherwise $100.
Telegraph Companies	Locality—flat rate	$150 for each city, $15 for each town with population of 500 or more and $5 for each other centre where operating.
Express Companies	Locality—flat rate	$200 for each city, $75 for each town with population of 500 or more and $15 for each other centre where operating.
Trust Companies	Gross revenue from investments in Province.	$1\frac{1}{2}$% on revenue from company funds; $\frac{1}{2}$ of 1% on revenue from funds of others. $1\frac{1}{2}$% on revenue from other sources. Minimum tax of $100 where authorized capital is $100,000 or less, otherwise $175.
Grain Companies	Elevators used	$50 each, unless handlings less than $25,000, then $25.
Chain Stores	Number of Stores (see Sec. 21 (3) for provision regarding determination of number)	$15 each for first five 30 " " next " 60 " " all in excess of ten. Where any retail store has turnover of less than $25,000, no tax payable for that store.
All other companies	Determined by Lieutenant Governor in Council from time to time. ($10 to $500).	

The Fuel Petroleum Products Act[36]

Each company selling or distributing gasoline in the province is required to pay a tax based on the storage tanks of such company in the province. The tax is fixed from time to time by the Lieutenant Governor in Council.

10. ALBERTA

An Act providing for the taxation of certain corporations was passed by the Legislature of Alberta in 1907[37]. The Act provided for the taxation of banks, insurance companies, loan and trust companies, telegraph and express companies, etc., in much the same manner as under present regulations, namely, a tax in some cases based upon capital and in others upon number of branches, premium income, or at flat rates. Special Acts later provided for additional taxes upon electric utility companies, railways and companies operating pipe lines. A tax upon corporate profits was imposed by the Income Tax Act, 1932, c. 5.

[36] R.S.S. 1940, c. 56.
[37] 1907, c. 19.

Province of Alberta corporation taxes are now imposed by the following Acts:

The Income Tax Act, 1942, c. 48
The Corporations Taxation Act, 1942, c. 41
The Railway Taxation Act (Provincial), 1942, c. 54
The Electric Power Taxation Act, 1942, c. 44
The Pipe Line Taxation Act, 1942, c. 52

In 1913, the total revenue from corporation taxes amounted to $171,000[38], which was 4·9 per cent of total revenue[38] for that year. In 1937, corporation taxes, including $590,000 corporate income tax, amounted to $2,132,000[38], providing 11·3 per cent of total revenues. For the 12-month period ended March 31, 1941, corporation taxes amounted to $3,017,000.[39]

Corporation taxes levied under these Acts were suspended by the Dominion-Provincial Tax Agreement (The Tax Collection Temporary Suspension Act, 1942, c. 58, Alberta).

[38] Comparative Statistics of Public Finance, Royal Commission on Dominion-Provincial Relations, Appendix 1, Statement 28.
[39] Comparative Statistics of Public Finance, Dominion-Provincial Conference on Reconstruction.

Profits Tax:

The Income Tax Act

All incorporated companies carrying on business in Alberta other than personal corporations are liable to taxation under the Act. The definition of a personal corporation is substantially the same as that contained in the Income War Tax Act (Canada).

The tax is levied upon the taxable income of the corporation. The rates are progressive by bracket, being 3 per cent on the first $2,000, increasing by 1 per cent on each $1,000 bracket until a rate of 12 per cent is reached on taxable income in excess of $9,000 but not exceeding $10,000. Where the income exceeds $10,000 the rate is 7 per cent *on all the income.*

Taxable income consists in the main of income subject to tax as defined in the Income War Tax Act of the Dominion of Canada. Provision is made for exemption of dividends received from other corporations which have paid tax under the Act. The tax paid upon income to the Dominion of Canada is not allowed as a deduction from profits or from the tax payable under the Alberta Act.

A credit is allowed for amounts paid under The Corporations Taxation Act as follows:

> "In case in any year a corporation or company is liable to the payment of a tax pursuant to this Act and is also liable to the payment of a tax pursuant to any of sections 4 to 19 (both inclusive) of The Corporations Taxation Act, the corporation or company shall, upon payment of the tax payable in that year pursuant to The Corporations Taxation Act, be liable in that year to the payment of the tax payable pursuant to this Act to the extent, if any, that the tax payable in that year pursuant to this Act exceeds the amount of the tax payable pursuant to The Corporations Taxation Act."[40]

The income of railway companies, which pay taxes under the Railway Taxation Act, is exempt under The Income Tax Act.

Provision is made for the determination of the taxable portion of the profits of corporations carrying on business both within and without the province.

Tax on Capital and Places of Business:

The Corporations Taxation Act

The basis and rate of taxation varies with the size of the business involved.

Practically all types of companies are taxed under the Act; however, corporations taxed under the Railway Taxation Act are specifically exempted. The rates are usually based upon paid up capital, or gross revenue within the province, or upon places of business.

The taxes payable under the Act may be reduced by the Lieutenant-Governor in Council under the following circumstances: A company which

(1) has its head office outside the Province;

(2) has its head office in the Province but part of its assets outside;

(3) has its head office in the Province but transacts therein only the business of holding securities of other incorporated companies; or

(4) is carrying on development of a natural resource within the Province but has not yet obtained merchantable production,

may be allowed such reduction as the Lieutenant-Governor in Council deems just, but the tax so payable shall not be less than $25.

At the time of the Dominion-Provincial Tax Suspension Agreement, The Corporations Temporary Additional Taxation Act was in force. This Act imposed an additional tax of 10 per cent on the taxes payable under The Corporations Taxation Act upon express, grain, insurance and telegraph companies. The Corporations Temporary Additional Taxation Act is no longer in force, but section 3 (2) of the main Act (The Corporations Taxation Act) provides for the proclamation of the aforementioned additional rates.

The Banking Corporations Temporary Additional Taxation Act (1938) imposed an additional tax of 50 per cent of the amount payable by banking corporations under The Corporations Taxation Act. The Act was in force at the date of the Tax Suspension Agreement, having been re-enacted for the year 1942 by c. 12 (Bill No. 57), Laws of 1941. The statute has not been re-enacted for subsequent years.

The various taxes imposed by the Corporations Taxation Act and the basis of such taxes on different companies are summarized in the following statement:

Type of Corporation	Rate or Amount of Tax
Ordinary Companies	50c. for every $1,000 of authorized capital. (Minimum $15).
Banks................	1/10 of 1% on paid-up capital, plus: (1) In respect of its main branch, office or agency in the Province: If total number of branches exceeds 30................ $4,000 Exceeds 15 but does not exceed 30........................ 3,000 15 or less................... 2,000 (2) Branches, etc., in Calgary, Edmonton, Lethbridge, Medicine Hat, Red Deer, not taxed under (1)................... 500 (3) Branches, etc., in Province not taxed under (1) or (2)..... 200 (All plus 50% per special Act.)
Private Banks.........	$100 if situated in a village or $200 in every other case plus $25 for every branch or agency in Province. (Exemption from $25 if more than one branch in any one village, etc.)
Electric Lighting Companies.	Based on each municipal corporation in Province to which company supplies electricity: Cities over 10,000 population..............$500 each. Cities under 10,000 population............... 100 each. Incorporated towns or villages................. 25. (Municipally owned plants exempt.)

[40] The Income Tax Act, 1942, Section 8, Subsection 3.

Type of Corporation	Rate or Amount of Tax
Express Companies....	Based on each municipal corporation in Province in which company has office, branch or agency: Calgary and Edmonton..$500 each. Cities over 5,000 population.................. 200 each. Cities under 5,000 population and towns over 1,500................. 100 each. Towns under 1,500 population.................. 50 each. Other places with population of over 100........ 10 each.
Gas Companies........	Company supplying gas in any city in province $500. ½c. per thousand cubic feet of gas from company's own wells.
Grain Companies......	$50 for each elevator operated.
Insurance Companies..	Based upon gross premiums from business transacted in Province: Life insurance..................3% Fire insurance..................2% Hail insurance.............½ of 1% Any insurance business other than above—1% (Special regulations apply to mutual companies, returned premiums and reinsurance.) In addition, a company which has more than $50,000 invested in the province shall pay ½ of 1% on gross income from investments in the province.
Land Companies.......	40c. on every $1,000 invested in province. Minima: $25 when paid-up capital under $50,000. $50 when over $50,000 but less than $100,000. $100 when in excess of $100,000.
Loan Companies......	1/10 of 1% on paid-up capital. Minimum—$50.
Finance Companies....	Greater of 2% of gross income of preceding year from business in Province, or $100.
Investment Companies.	½ of 1% of gross receipts of preceding year from business in Province. Minima: $25 when paid-up capital under $50,000. $50 when over $50,000 but less than $100,000. $100 when over $100,000.
Power Companies......	Corporation whose main object is genertion, distribution, supply or sale of motive power or energy in town or city of over 15,000 population—$10,000.
Street and Electric Railway Companies.	$200 when whole trackage is 20 miles or less, plus $20 for each mile in excess of twenty.
Telegraph Companies.	2% of gross revenue from provincial business.
Telephone Companies..	In cities with population in excess of 10,000—50c. on each telephone rented In cities under 10,000 population, towns and villages—25c. on each telephone rented.
Trust Companies......	2% on gross income from business in Province. Minima: $100 when paid-up capital $100,000 or less. $250 when over $100,000 but not over $500,000. $350 when over $500,000.
Natural Gas Processing Companies.	2½% of amount upon which company is in each year liable for tax under The Income Tax Act. (This tax is in addition to the income tax payable). The tax on "gas companies" (above) does not apply to companies on which this tax applies.

The Railway Taxation Act (Provincial)

This Act imposes a tax upon "every railway insofar as it is operated and not exempt from taxation".[41]

The tax applies to a line or part of line of railway within the Province and is based upon the actual value thereof.

Subject to certain exceptions on behalf of lines the construction of which was aided by provincial guarantees, the rate of tax is 1½ per cent of the actual value of the railway as determined under the Act. In addition, the Act provides for the proclamation of an additional tax of 10 per cent of the tax payable at the above rates.

The Electric Power Taxation Act

The following tax is imposed by this Act:

"Every person or corporation other than a municipal corporation whose business is in whole or in part the generation or transmission of electrical power or energy shall annually pay a tax to the Province upon the assessed value of the works and transmission lines used in such business and situated outside of any city, town or village, at the rate of ten mills on the dollar or at such lesser rate as may from time to time be fixed by the Lieutenant-Governor in Council."[42]

The Pipe Line Taxation Act

The following tax is imposed by this Act:

"Every person or corporation other than a municipal corporation which by means of any pipe line conveys or transmits any gas, oil, or gas and oil shall annually pay a tax to the Province upon the assessed value of the pipe line which is so used and is situated outside of any city, town or village, at the rate of ten mills on the dollar or at such lesser rate as may from time to time be fixed by the Lieutenant-Governor in Council."[43]

[41] Section 4 (1), The Railway Taxation Act (Provincial).
[42] Section 3 (1), The Electric Power Taxation Act.
[43] Section 3, The Pipe Line Taxation Act.

11. BRITISH COLUMBIA

The Assessment Act, 1901, provided for the taxation of corporations on the income derived from operations in British Columbia and also for the taxation of property. Where the income was derived from property thus taxed, however, the corporation paid only the higher of the income tax or the property tax. This optional basis of taxation is a feature of the present British Columbia corporation tax laws.

In 1905 a tax of one per cent on gross revenues derived in the province was levied on all corporations, the corporations being liable also for the property tax. Special provisions with regard to the taxation of canneries were enacted in 1907, whereby a tax of two cents was imposed on every case of canned salmon and also a tax of one per cent on the gross returns from all salmon not canned.

Railways were taxed under the Assessment Act, at one-half of one per cent on the assessed value of all property. The assessed value was calculated at $10,000 per mile of track and $3,000 per mile of spurs and sidings. The valuation of track, etc., has remained the same since that time.

Banks were taxable on income at the same rates that applied to individuals; i.e., income up to $2,000 at one and one-half per cent increasing to four per cent on incomes over $7,000.

Corporation taxes in British Columbia are at present levied under the Income Tax Act, the Taxation Act, the Fisheries Act, and the Fuel Oil Tax Act (applicable to railways).

In 1913, revenue from corporation taxes amounted to $388,000[44], being 3·8 per cent of total revenues[44] for that year; by 1937, this percentage had risen to 22·18 per cent, the corporation tax revenue being $6,948,000[44]. In the fiscal year ended March 31, 1941, corporation taxes amounted to $9,661,000[45] constituting 26·31 per cent of the total revenue for that year.

The taxing provisions of these Acts relating to corporations were suspended by the Dominion-Provincial Agreement Act (Chap. 7 Statutes of 1942, B.C.).

A brief summary of the corporation taxes levied by these Acts follows.

Profits Tax:

Income Tax Act[46]

Sec. 3 (*a*) "All income of every person resident in the Province and the income earned in the Province of persons not resident in the Province shall be liable to taxation".

The word "person" is defined in Sec. 2 of the Act as including corporations.

Income tax is payable by corporations on net income at the same rates applicable to individuals, except that corporations do not pay the surtax provided for in Sec. 22 of the Act. The scale of rates is on a graduated basis beginning at 1 per cent on income up to $1,000 and rising to 19 per cent on income between $18,000 and $19,000. Where net income exceeds $19,000, however, the tax rate is 10 per cent *on the whole income*. (Sec. 21).

[44] Comparative Statistics of Public Finance, Royal Commission on Dominion-Provincial Relations, Appendix 1, Statement 28.
[45] Comparative Statistics of Public Finance, Dominion-Provincial Conference on Reconstruction.
[46] Revised Statutes of B.C., 1936, Chap. 280.

Section 4 of the Act lists certain income which is exempt from taxation. Some of the more noteworthy exemptions applicable to corporations are:

(1) Dividends of corporations already taxed under the Act.
(2) The income from farms, orchards, etc., up to $1,000, and the income of co-operative organizations generally.
(3) Income of municipally or provincially owned corporations.
(4) Income of hospitals, schools and public and charitable institutions.
(5) Income of a holding company with head office in the Province, from subsidiary companies outside the Province, according to the amount of shares of the holding company held outside the Province.
(6) Income of corporations paying a tax on gross income (Sec. 32).
(7) Income of corporations paying taxes imposed by the Taxation Act, where such taxes are payable in lieu of income tax.

Section 32 of the Act makes special provision for insurance, guarantee and loan companies, savings and loan associations, trust, telephone, gas, waterworks, electric lighting, electric power and street railway companies, in that:—

(*a*) Companies as listed above other than insurance companies are assessed on gross income from business in the Province and where tax on this basis exceeds the tax on net income the former amount is payable. If, however, the tax on net income is greater, then that tax is payable.
(*b*) Insurance companies pay tax on gross income in lieu of ordinary "income tax".

The rate of tax on gross income is 2¼ per cent; life insurance companies pay a rate of 2¾ per cent on gross premiums.

Other taxes:

Taxation Act[47]

Part I, Sec. 4 (1) "To the extent and in the manner provided in this Act, and for the raising of a revenue for Provincial purposes

(*a*) All property within the Province, and all output . . . shall be liable to taxation; . . . "

(3) "To the extent and in the manner provided in this Act, the taxes on output...shall be alternative taxes with the taxes imposed under the "Income Tax Act"..."

Some of the different taxes imposed on various types of businesses are summarized in the following table.

[47] R.S.B.C. 1936, Chap. 282.

Type of business	Basis of Taxation	Taxes Levied
Coal and Coke Producers............	Output............................	10c. per long ton (alternative to income tax).
Banks..............................	Number of Offices in Province.........	Less than 25 offices—$4,000 for chief office. 25 or more offices—$10,000 for chief office; each additional branch $500.
Mines and Mineral Claims...........	Output (Assessed value).............	2%. Iron ore 37½c. per ton; no tax payable where value of output does not exceed $5,000.
Railways...........................	Assessed value of property outside of municipal area (not applicable to log, ore and coal carriers and street railways). Main and branch lines at $10,000 per mile; spurs and switches at $3,000 per mile.	2%. Railway companies may be exempt from taxation for a period up to 10 years from the completion of the road.
Telephone and Express Companies....	Population of centre where office is located (in lieu of income tax but in addition to property tax).	Where pouplation.............. 100– 1,000.$ 10 Where population.............. 1,000– 2,500. 50 Where population.............. 2,500– 5,000. 100 Where population.............. 5,000– 10,000. 200 Where population.............10,000– 25,000. 300 Where population.............25,000– 50,000. 400 Where population.............50,000–100,000. 500 Where population.............over....100,000. 750 for each office, except if more than one in any centre, tax on one office only.

Fisheries Act[48]

Sec. 10. "All persons who fish . . . within the limits of the Province shall be subject to and shall pay such taxation as may from time to time be imposed by Order of the Lieutenant-Governor in Council".

Provision is also made under this Act for the licensing of canneries and other plants. All license fees are set by Order in Council, and are for fixed amounts, except those for salmon canneries, which are graduated amounts according to the class into which each cannery falls. Salmon canneries are reclassified every two years, their classification depending upon the average pack of the cannery for the previous four operating years.

Fuel Oil Tax Act[49]

Sec. 2. "For the raising of a revenue for Provincial purposes every person who consumes any fuel-oil in the Province shall pay to the Minister of Finance a tax in respect of that fuel-oil at the rate of one half cent a gallon provided that no tax shall be payable by a railway company as defined by the 'Taxation Act' in respect of fuel-oil consumed in its locomotives".

If, however, the tax on fuel-oil which would be payable by a railway is greater than the tax imposed on such railway by the Taxation Act, then, the fuel-oil tax is payable in lieu of the other tax, and in any event, any fuel-oil tax paid by a railway may be deducted from the tax imposed under the Taxation Act, where the latter tax is greater.

12. CONCLUSION

Dr. Vineberg, in writing of provincial taxation in 1912, had the following to say:

"Few attempts are made to arrive at any basis of taxation that will distribute the burden equally among the various corporations of any one class or among the different classes of corporations. The primary purpose, generally speaking, is to raise a

[48] R.S.B.C. 1936, Chap. 101.
[49] R.S.B.C. 1936, Chap. 278.

revenue, and all principles of equality are relegated to the background to make room for bases of taxation which scarcely even approximate justice.

* * *

"The taxation of insurance companies is further evidence of the regrettable tendency on the part of legislators to tax objects which will yield a revenue with the least exertion on the part of the officials."[50]

Almost the only development since that time to the present day has been the addition, in most provinces, of taxes on income. The corporation taxes condemned by Dr. Vineberg have been continued in almost the same form, the only changes being the addition of new classes and some variations in rates.

The brief review contained in the preceding pages indicates the extreme complexity of the field of provincial corporation taxes.

It will be observed that corporation taxes, other than those on income, entered at a relatively early date into the provincial tax systems; that the taxes assessed in individual provinces are frequently arbitrary and rigid; and that the bases of taxation as between provinces are far from uniform. The methods employed for computing the amount of the income or capital taxable in any province also result, in some cases, in taxes being imposed twice on the same income or capital.

The majority, but not all, of the provinces impose taxes based on income. In some cases a fixed rate of tax is levied on all income taxable within the province, while in others the tax is levied on a graduated scale. Taxes other than on income are assessed on one or more of the following bases:

1. Paid up capital.
2. Gross revenues.
3. Location and number of offices.
4. Investment in or extent of property employed.
5. Flat rates or stated amounts.
6. Varying rates dependent upon capital employed and the location of principal offices.

In a number of instances, any or all of the above may be subject to flat percentage increases by way of surtax, and to stated maxima and minima.

[50] Vineberg, S., ***Provincial and Local Taxation in Canada***, pp. 133 and 134.

PART II

TABLES

TABLE I

PROVINCIAL GOVERNMENTS

ANALYSIS OF CORPORATION TAX REVENUES [1]
1913
(Thousands of Dollars)

Actual date of fiscal year end—→	Prince Edward Island — Dec. 31 1913	New Brunswick — Oct. 31 1913	Quebec — June 30 1914	Ontario — Oct. 31 1913	Manitoba — Nov. 30 1913	Saskatchewan — April 30 1914[2]	Alberta — Dec. 31 1913	British Columbia — Mar. 31 1914
A. SPECIFIC TAXES ON CERTAIN CLASSES:								
Banks	5	15	95	76	31	47	23	37
Electric power and gas companies	....	....	....	14	2	....	2	25
Express companies	....	1	4	46	3	23	2	....
Extra-provincial contractors	....	11	....	....	....	....	....	....
Insurance companies	7	25	221	211	48	65	43	23
Land companies	....	....	....	....	28	16	15	....
Race tracks	....	....	....	17	....	....	....	....
Railways	....	....	84	463	205	71	74	145
Sleeping and parlor car companies	....	....	....	2	....	....	....	....
Steamship companies	1	....	4	....	....	....	....	....
Telegraph companies	....	1	3	1	3	5	1	1
Telephone companies	....	3	7	14	....	....	....	4
Tramways	....	3	11	14	3	....	....	....
Trust and loan companies	1	2	10	36	26	31	11	15
B. TAXES APPLIED GENERALLY, other than on above classes in individual provinces	....	....	504	....	....	....	....	138
TOTAL CORPORATION TAXES	14	61	943	894	349	258	171	388
TAX REVENUES	105	159	2,602	2,083	645	904	324	2,015
TOTAL REVENUES	518	1,406	8,493	9,105	4,075	5,837	3,457	10,147
% Corporation taxes to:								
Tax revenues	*13·3%*	*38·4%*	*36·2%*	*42·9%*	*54·1%*	*28·5%*	*52·8%*	*19·3%*
Total revenues	*2·7*	*4·3*	*11·1*	*9·8*	*8·6*	*4·4*	*4·9*	*3·8*

[1] Source: Appendices B to K inclusive, Report of the Royal Commission on Dominion-Provincial Relations.
[2] Fourteen month period.

TABLE 2

PROVINCIAL GOVERNMENTS

ANALYSIS OF CORPORATION TAX REVENUES[1]
1940

(Thousands of Dollars)

Actual date of fiscal year end—→	Prince Edward Island — Dec. 31 1940	Nova Scotia — Nov. 30 1940	New Brunswick — Oct 31 1940	Quebec — June 30 1941[2]	Ontario — March 31 1941	Manitoba — April 30 1941	Saskatchewan — April 30 1941	Alberta — March 31 1941	British Columbia — March 31 1941
A. Specific Taxes on Certain Classes:									
Banks	23	138	102	450	860	166	79	303	135
Breweries	....	....	....	52	....	....	....	....	....
Chain stores	12	15	....	....	....	....	....	....	....
Electricity and gas companies	4	179	91	1,831	....	2	....	54	971
Express and telegraph companies	1	31	22	31	39	5	14	12	14
Extra-provincial contractors	....	....	5	....	....	....	....	....	....
Fishing companies	....	....	....	....	....	....	....	....	158
Gasoline companies	....	....	....	196	....	....	....	....	....
Grain companies	....	....	....	....	....	35	....	86	....
Insurance companies	12	250	217	1,533	2,550	468	282	308	529
Investment companies	....	....	....	....	....	....	....	1	....
Land companies	....	....	....	....	....	12	4	5	....
Liquor companies	....	....	....	18	....	....	....	....	....
Mining companies	....	....	....	124	....	....	....	....	1,603
Navigation companies	....	....	....	65	....	....	....	....	....
Oil companies	....	....	....	....	....	....	11	....	....
Pipe line companies	....	....	....	....	....	....	....	56	....
Railways	40	114	170	118	875	631	404	482	696
Sleeping, dining and parlor car companies	....	....	....	2	11	....	....	....	....
Telephone companies	3	123	75	134	317	....	....	....	165
Tobacco companies	....	....	....	52	....	....	....	....	....
Tramways	....	8	1	289	....	4	....	....	....
Trust, loan and finance companies	5	52	6	117	....	25	52	48	40
Surcharge on taxes	....	....	....	....	....	....	....	41	....
B. Taxes applied generally, other than on above classes in individual provinces, and including income taxes	53	579	351	10,708	17,411	1,494	771	1,586	5,350
C. License Fees, in certain cases	....	18	4	....	....	....	....	22	....
Total Corporation Taxes	242	1,507	1,044	15,720	21,963	2,842	1,617	3,040	9,661
Tax Revenues	723	5,519	3,927	52,191	70,333	9,280	10,626	9,076	20,981
Total Revenues	1,683	12,778	9,984	82,259	103,957	17,346	21,265	20,875	36,718
% Corporation taxes to:									
Tax revenues	*33·5%*	*27·3%*	*26·6%*	*30·1%*	*31·2%*	*30·6%*	*15·2%*	*33·5%*	*46·0%*
Total revenues	*14·4*	*11·8*	*10·5*	*19·1*	*21·1*	*16·4*	*7·6*	*14·6*	*26·3*

[1] Source: Comparative Statistics of Public Finance, Dominion-Provincial Conference on Reconstruction.
[2] For a composite twelve months period comprising the nine months fiscal period ended March 31, 1941, and the three months period ended June 30, 1941.